

Congressional Budget Office

The Budget and Economic Outlook: Fiscal Years 2012 to 2022

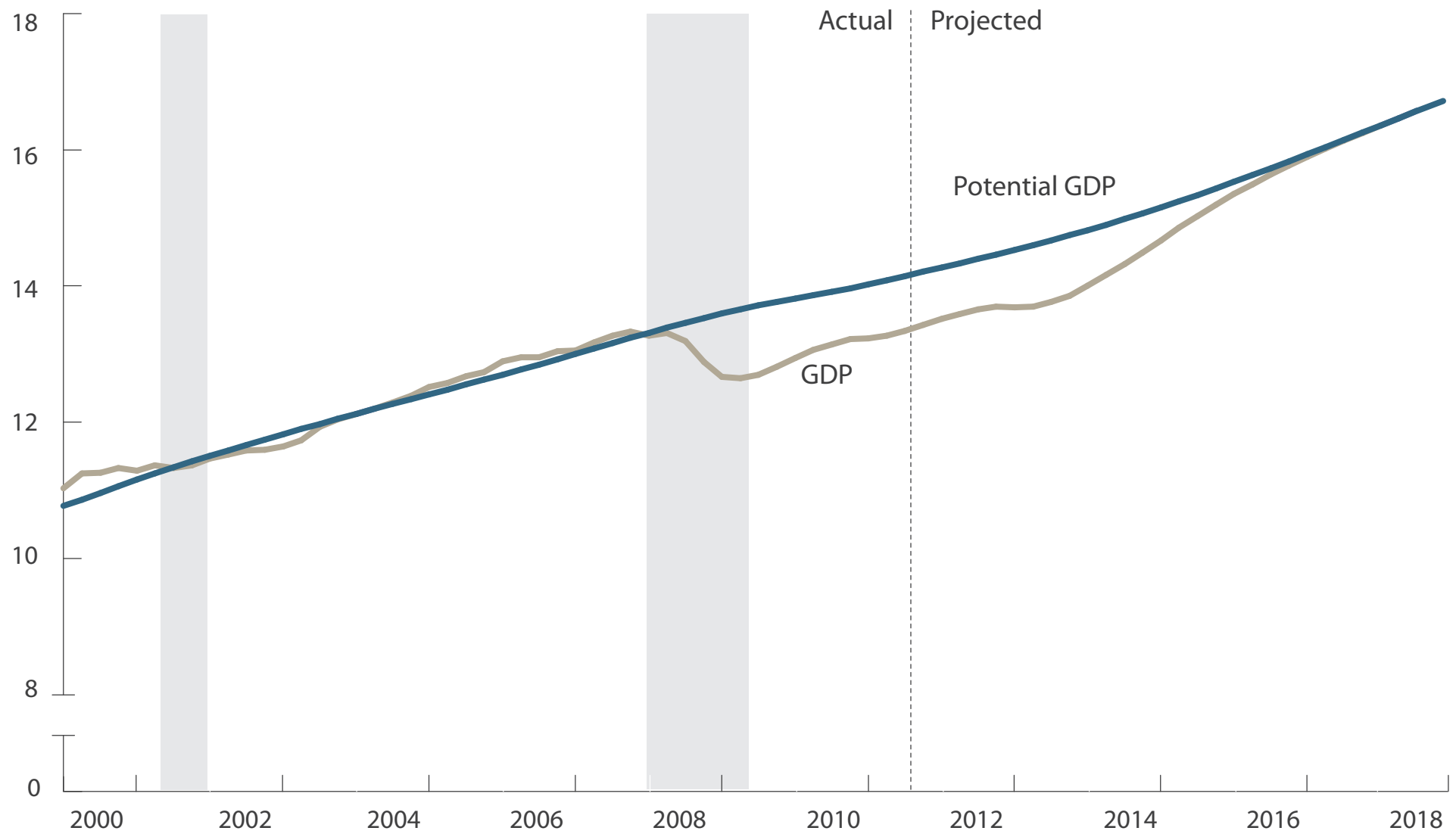
Testimony before the Senate Budget Committee

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Director

February 2, 2012

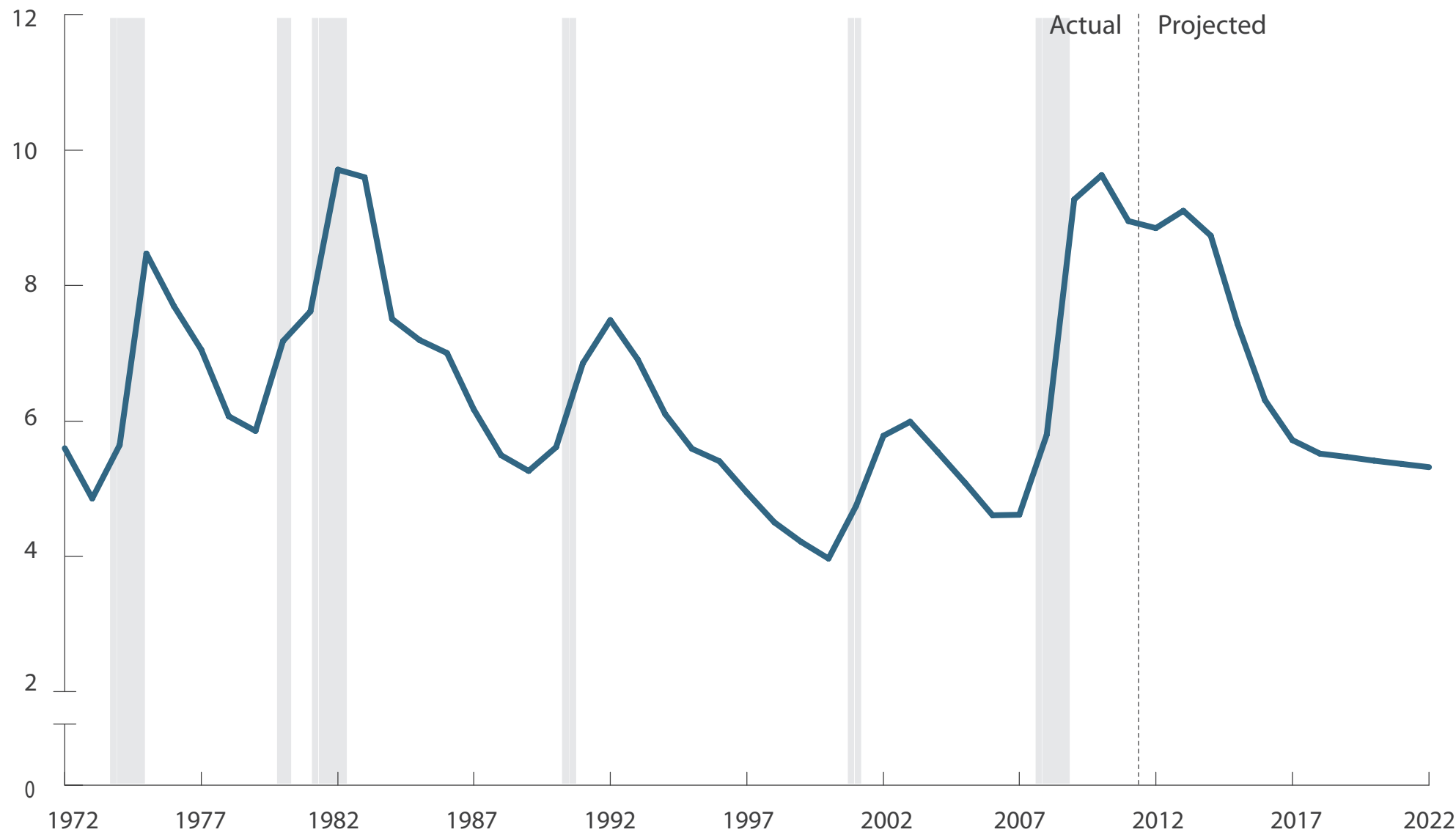
Real Gross Domestic Product

(Trillions of 2005 dollars)



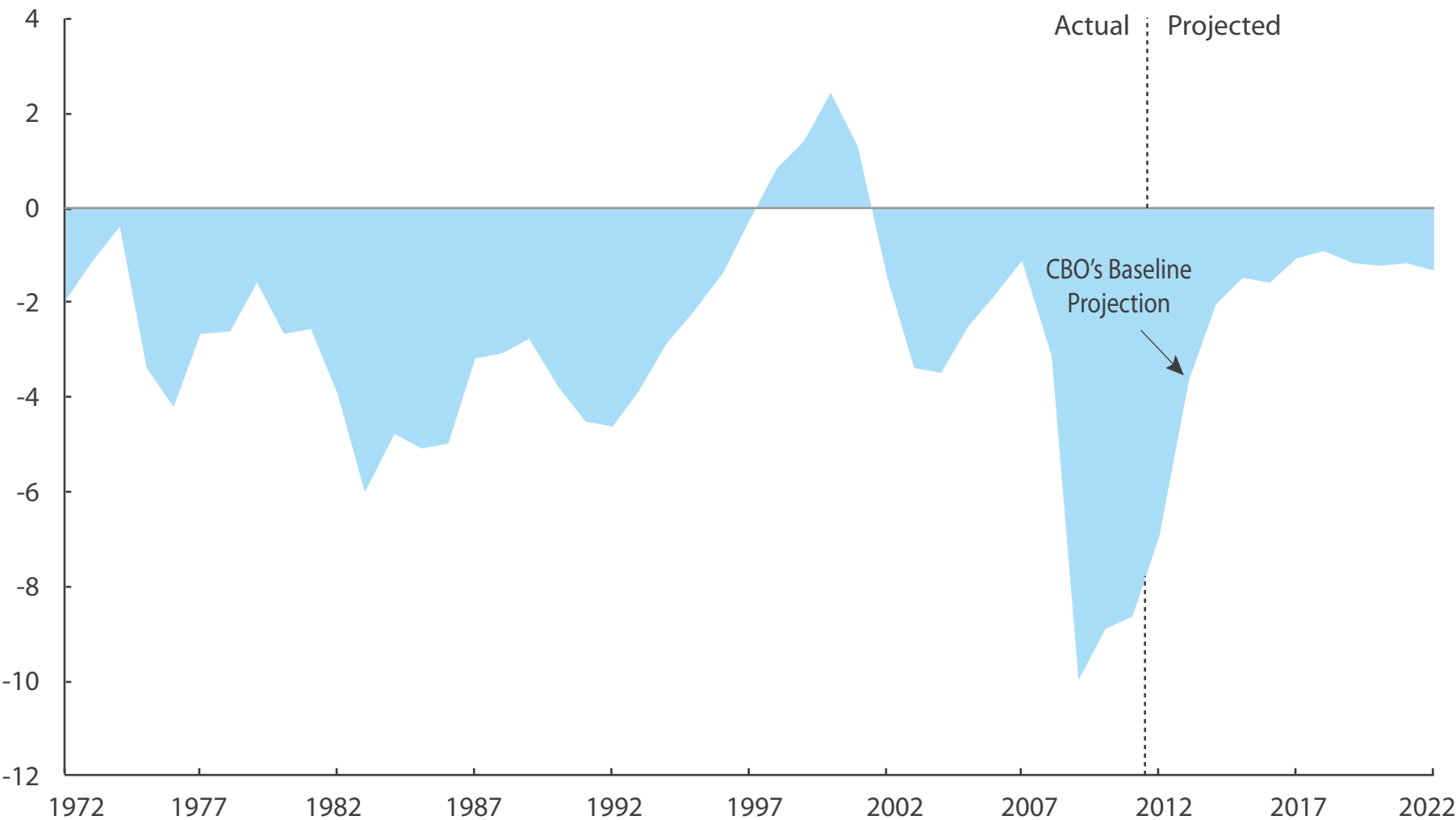
Unemployment Rate

(Percent)



Deficits or Surpluses, Historically and As Projected in CBO's Baseline

(Percentage of GDP)



What Policy Assumptions Underlie the Baseline and the Alternative Fiscal Scenario?

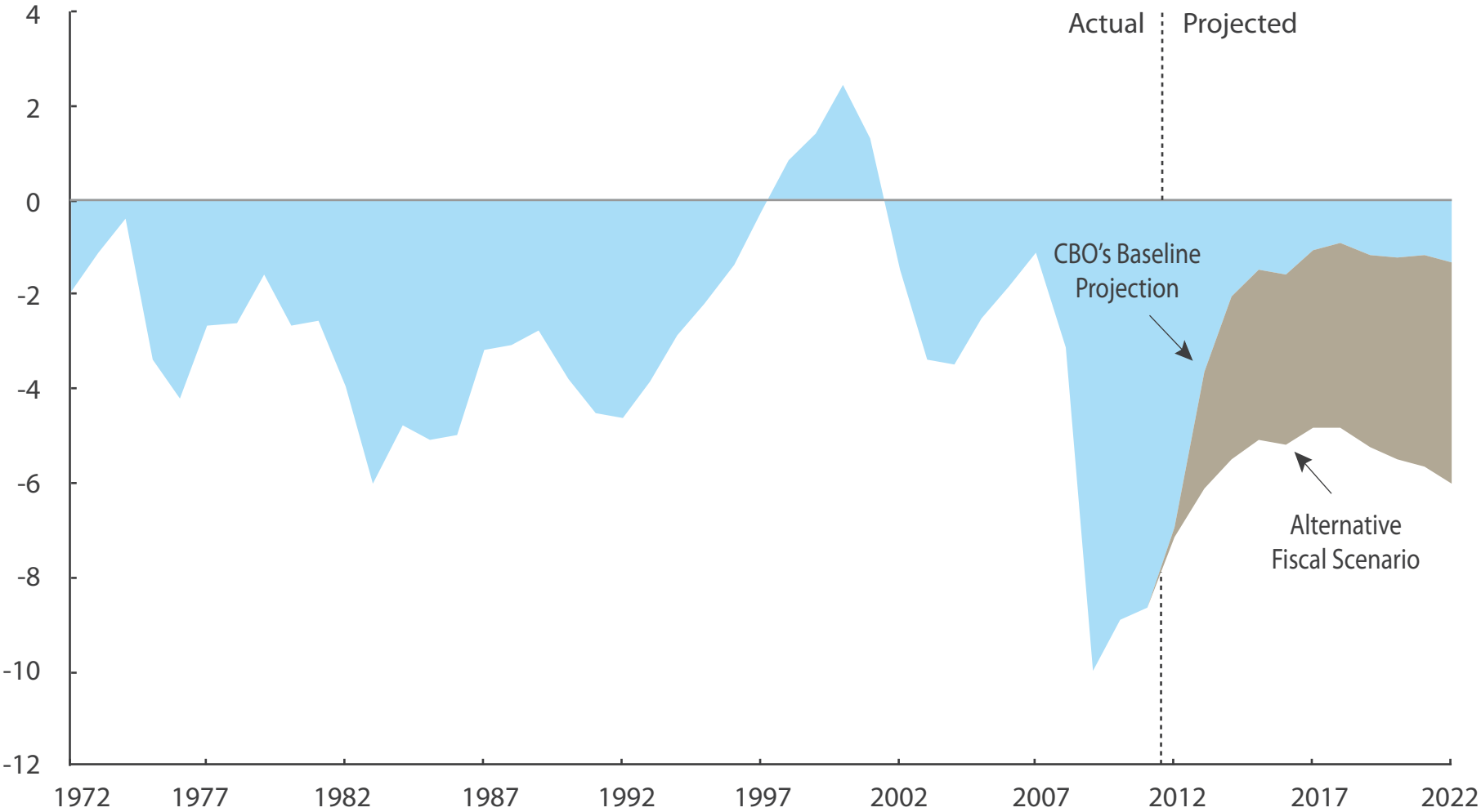
Baseline Projections: Current law

Alternative Fiscal Scenario:

- All expiring tax provisions (other than the payroll tax reduction) are extended.
- The alternative minimum tax (AMT) is indexed for inflation after 2011.
- Medicare's payment rates for physicians' services are held constant at current level.
- The automatic spending reductions required by the Budget Control Act do not take effect (although the original caps on discretionary appropriations remain in place).

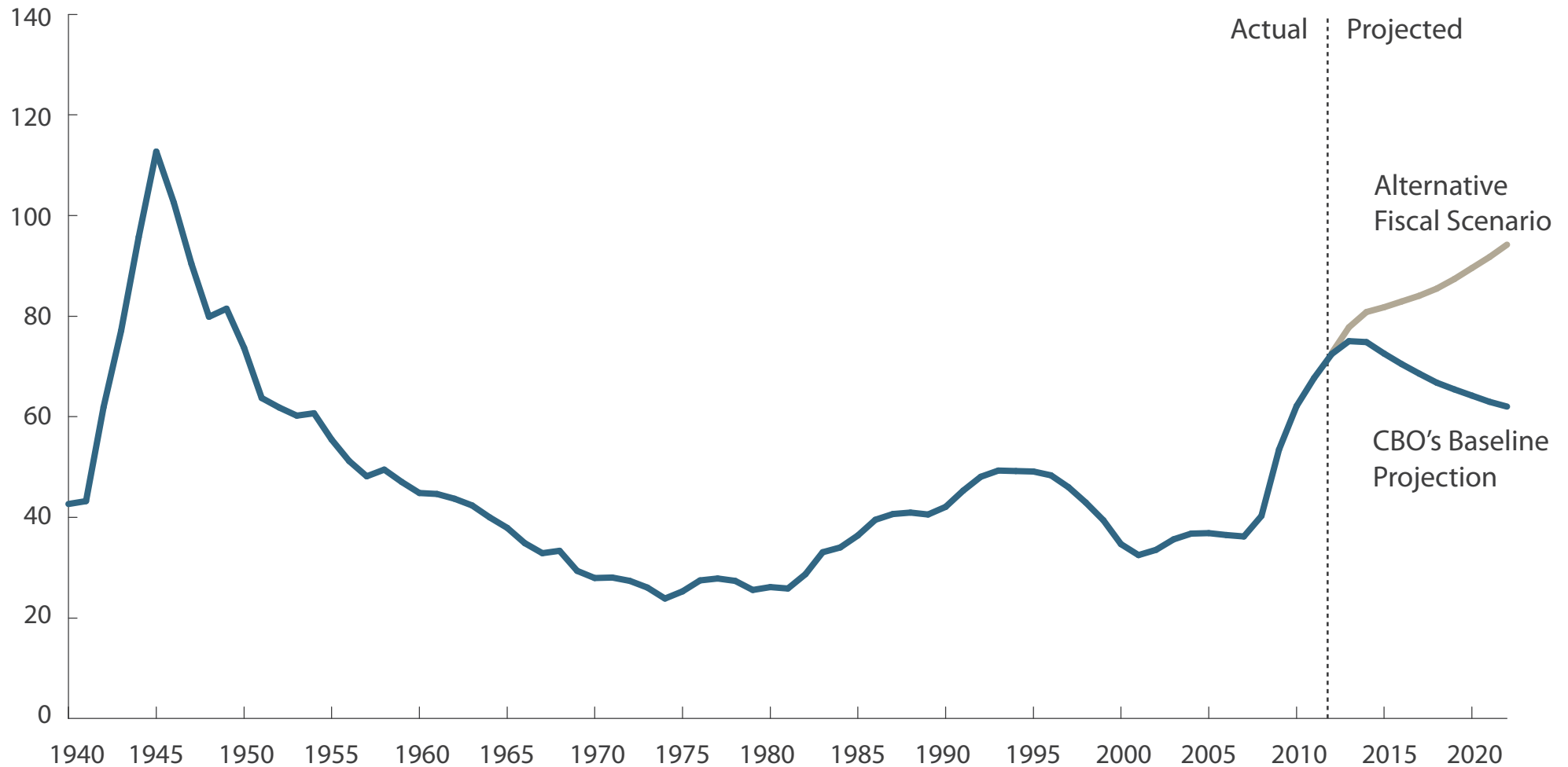
Deficits or Surpluses, Historically and As Projected in CBO's Baseline and Under an Alternative Fiscal Scenario

(Percentage of GDP)



Federal Debt Held by the Public, Historically and Projected in CBO's Baseline and Under an Alternative Fiscal Scenario

(Percentage of GDP)



Components of the Federal Budget as Shares of GDP: 1972-2011 Average and 2022 Projection Under the Alternative Fiscal Scenario

(Percentage of GDP)

